

**MEALS ON WHEELS YOLO
COUNTY, INC.**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
JUNE 30, 2024 AND 2023**

MEALS ON WHEELS YOLO COUNTY, INC.

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Meals on Wheels Yolo County, Inc.
Woodland, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Meals on Wheels Yolo County, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standard* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standard*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Forms Required by Area 4 Agency on Aging and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Forms Required by Area 4 Agency on Aging and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

October 30, 2024

MEALS ON WHEELS YOLO COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 518,225	\$ 484,017
Grants receivable	215,033	799,217
Inventory	52,029	22,713
Prepaid expenses	<u>12,280</u>	<u>4,722</u>
Total current assets	797,567	1,310,669
NONCURRENT ASSETS:		
Certificates of deposit	590,749	531,758
Deposits	13,500	13,500
Property and equipment, Net	195,171	107,531
Right-of-use assets, operating lease	<u>295,140</u>	<u>387,753</u>
TOTAL ASSETS	<u>\$ 1,892,127</u>	<u>\$ 2,351,211</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 33,403	\$ 93,551
Accrued expenses	127,611	123,171
Refundable advances		146,414
Current portion of operating lease liability	<u>92,846</u>	<u>87,846</u>
Total current liabilities	253,860	450,982
OPERATING LEASE LIABILITY, Net	<u>208,367</u>	<u>301,213</u>
TOTAL LIABILITIES	462,227	752,195
NET ASSETS - WITHOUT DONOR RESTRICTIONS	<u>1,429,900</u>	<u>1,599,016</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,892,127</u>	<u>\$ 2,351,211</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES:		
Contributions	\$ 1,734,326	\$ 1,010,276
Grants	1,642,069	1,184,399
In-kind support	522,379	528,459
Interest and investment income	27,661	12,600
Employee Retention Tax Credit		328,804
Other income	3,283	3,988
Total revenues	<u>3,929,718</u>	<u>3,068,526</u>
EXPENSES:		
Program services:		
Home delivered meals	2,368,037	2,222,959
Congregate dining	911,155	638,408
Total program expenses	<u>3,279,192</u>	<u>2,861,367</u>
Supporting services:		
Fundraising	500,176	182,162
General and administrative	319,466	289,512
Total supporting expenses	<u>819,642</u>	<u>471,674</u>
Total expenses	<u>4,098,834</u>	<u>3,333,041</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(169,116)	(264,515)
NET ASSETS, Beginning of Year	<u>1,599,016</u>	<u>1,863,531</u>
NET ASSETS, End of Year	<u>\$ 1,429,900</u>	<u>\$ 1,599,016</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2024

	<u>Home Delivered Meals</u>	<u>Congregate Dining</u>	<u>Fundraising</u>	<u>General and Admin.</u>	<u>Total</u>
Personnel	\$ 1,074,855	\$ 312,023	\$ 308,011	\$ 221,846	\$ 1,916,735
Occupancy	175,585	491,637		35,117	702,339
Raw food	501,594	55,732			557,326
Equipment	219,206	11,537			230,743
Fund development, outreach, and community awareness	6,415	972	184,665	2,332	194,384
Food service and kitchen supplies	130,816	14,535			145,351
Outside services	83,076	4,372		34,945	122,393
Repairs and maintenance	63,375	7,042		111	70,528
Depreciation	28,639	4,773		14,319	47,731
Vehicle operations	34,975	3,886			38,861
Insurance	16,772	1,864		4,659	23,295
Travel	10,225	1,136	7,500	2,840	21,701
Office expenses	14,287	733		3,297	18,317
Volunteer expenses	<u>8,217</u>	<u>913</u>	<u> </u>	<u> </u>	<u>9,130</u>
Total	<u>\$ 2,368,037</u>	<u>\$ 911,155</u>	<u>\$ 500,176</u>	<u>\$ 319,466</u>	<u>\$ 4,098,834</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2023

	<u>Home Delivered Meals</u>	<u>Congregate Dining</u>	<u>Fundraising</u>	<u>General and Admin.</u>	<u>Total</u>
Personnel	\$ 1,068,089	\$ 56,215	\$ 65,042	\$ 216,034	\$ 1,405,380
Occupancy	120,667	527,761		11,313	659,741
Raw food	357,132	18,796			375,928
Equipment	256,762	13,514			270,276
Fund development, outreach, and community awareness	3,983	210	117,120	1,655	122,968
Food service and kitchen supplies	174,893	9,205			184,098
Outside services	132,242	6,960		34,082	173,284
Repairs and maintenance	16,225	854		4,270	21,349
Depreciation	10,726	565		6,896	18,187
Vehicle operations	12,713	669			13,382
Insurance	13,230	696		3,482	17,408
Travel	8,745	460		2,301	11,506
Office expenses	39,508	2,080		9,479	51,067
Volunteer expenses	<u>8,044</u>	<u>423</u>	<u></u>	<u></u>	<u>8,467</u>
Total	<u>\$ 2,222,959</u>	<u>\$ 638,408</u>	<u>\$ 182,162</u>	<u>\$ 289,512</u>	<u>\$ 3,333,041</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (169,116)	\$ (264,515)
Reconciliation to net cash provided (used) by operating activities:		
Net realized/unrealized gain on investments and certificates of deposit	(41,687)	(6,381)
Receipt of donated property and equipment	(28,404)	
Reduction in right-of-use assets, operating lease	92,613	20,500
Depreciation	47,731	18,187
Changes in:		
Grants receivable	584,184	(768,886)
Inventory	(29,316)	(17,425)
Prepaid expenses	(7,558)	1,160
Deposits		(13,500)
Accounts payable	(60,148)	69,492
Accrued expenses	4,440	54,723
Refundable advances	(146,414)	52,787
Operating lease liability	(87,846)	(19,194)
Net cash provided (used) by operating activities	<u>158,479</u>	<u>(873,052)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of certificates of deposit	(966,004)	(526,294)
Redemption of certificates of deposit	948,700	527,000
Proceeds from sale of investments		97,014
Purchases of property and equipment	(106,967)	(67,324)
Net cash provided (used) by investing activities	<u>(124,271)</u>	<u>30,396</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 34,208	 (842,656)
 CASH AND CASH EQUIVALENTS, Beginning of Year	 <u>484,017</u>	 <u>1,326,673</u>
 CASH AND CASH EQUIVALENTS, End of Year	 <u>\$ 518,225</u>	 <u>\$ 484,017</u>
 NON-CASH INVESTING ACTIVITY:		
Right-of-use assets acquired through operating lease liability	<u>\$</u>	<u>\$ 408,253</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. ORGANIZATION AND OPERATIONS

Meals on Wheels Yolo County, Inc., (the Organization) is a California nonprofit corporation organized to nourish and engage seniors in Yolo County, California. This is accomplished by home-delivering nutritious meals to those who are food insecure and limited mobility, and by providing social congregate dining opportunities for more active seniors. Healthy outcomes supporting seniors in living nourished lives with independence, resilience, and dignity is the goal. The Organization executes nearly 50 home-delivery routes and four meal connection dining locations countywide.

On April 4, 2024, the Organization filed amended articles of incorporation with the California Secretary of State to change its name from People Resources, Inc. to Meals on Wheels Yolo County, Inc.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its financial position and activities according to the following net asset classifications: net assets without donor restrictions and net assets with donor restrictions. The Organization did not have any net assets with donor restrictions as of June 30, 2024 and 2023.

Revenue recognition – Contributions and certain governmental grants are recognized in the period received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by grantors for future periods or specific purposes. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition. The Organization receives certain government grants which limit spending to qualifying expenditures as defined in grant agreements, or do not provide funding until deliverables are met. Outstanding conditional promises to give subject to such requirements were \$263,055 and \$1,152,701 as of June 30, 2024 and 2023, respectively, and will be recognized as revenue as the conditions are met. Amounts received in advance of incurrence of qualifying expenditures or meeting deliverables are recorded as refundable advances. There were no refundable advances as of June 30, 2024. As of June 30, 2023 refundable advances totaled \$146,414.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. As such, donor-restricted contributions that are initially conditional, and for which the donor-imposed conditions and restrictions are met in the same year, are reported as revenue without donor restrictions in the statements of activities.

In-kind support is recognized at the estimated fair value as of the date of donation. The Organization recognizes in-kind support for the fair value of contributed services that create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization relies on volunteer services in order to conduct its programs. The value of this donated time, which approximated \$181,000 and \$188,000 in 2024 and 2023, respectively, are not reflected in the financial statements as it does not meet the aforementioned criteria.

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Cash and cash equivalents – For financial statement purposes, investments with an initial maturity at purchase of three months or less are considered to be cash equivalents. The Organization minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institutions. The balance at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to cash.

Certificates of deposit are stated at fair value within level 2 of the Fair Value Hierarchy as they are valued using observable information inputs such as current interest rates.

Grants receivables include amounts due from grantor agencies under reimbursable grant agreements. Grants receivables are stated at the amount management expects to collect from outstanding balances. Management believes that there are no significant uncollectible receivable balances, accordingly, no allowance for uncollectible accounts receivable has been recorded as of June 30, 2024 and 2023.

Inventory – Inventory of food and supplies is stated at cost using the first-in, first-out method.

Property and equipment – The Organization capitalizes property and equipment with an initial acquisition cost of \$1,000 or more and records depreciation on these assets using the straight-line method over estimated useful lives of individual assets.

Under the provisions of contracts funded by federal programs, the Organization is custodian for assets purchased with contract funds. Since the funding agency retains title to these assets, they are not capitalized on the Organization's books. These items are expensed in accordance with contract provisions.

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets are also adjusted for prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has made an accounting policy election to use the risk-free rate at the lease commencement date, in lieu of its incremental borrowing rate to discount future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. Lease terms may include options to renew, extend or terminate to the extent they are reasonably certain to be exercised. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.) In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- Level 1 Inputs Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

- Level 2 Inputs Inputs other than quoted prices in active markets that are observable either directly or indirectly.

- Level 3 Inputs Unobservable inputs for the asset or liability.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

Functional allocation of expenses – The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs require allocation based on the estimated usage of resources. The expenses that are allocated include personnel, which are allocated based on employees' time incurred and benefits, which are allocated based on salaries. All other cost allocations are based on management's estimate of the usage of resources.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes – The Organization is publicly supported and exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Organization has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

Subsequent events have been reviewed through October 30, 2024, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024 that require recognition or disclosure in the financial statements.

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 518,225	\$ 484,017
Certificates of deposit	590,749	531,758
Grants receivable	<u>215,033</u>	<u>799,217</u>
Total financial assets	1,324,007	1,814,992
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Refundable advances subject to qualifying expenditures		(146,414)
Board designated strategic planning reserves		<u>(35,000)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,324,007</u>	<u>\$ 1,633,578</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Automobile equipment	\$ 168,468	\$ 89,275
Office and kitchen equipment	250,489	194,311
Leasehold Improvements	<u>5,713</u>	<u>5,713</u>
Total	424,670	289,299
Less accumulated depreciation	<u>(229,499)</u>	<u>(181,768)</u>
Property and equipment, net	<u>\$ 195,171</u>	<u>\$ 107,531</u>

5. LEASES

The Organization has lease agreements for office and kitchen space through February 2028, which are included on the statements of financial position as of June 30, 2024 and 2023 as ROU assets of \$295,140 and \$387,753, respectively, and an operating lease liability of \$301,213 and \$389,059, respectively.

The ROU assets and operating lease liability were calculated using the risk-free discount rate at the inception of the lease. Rent expense for these leases totaled \$103,272 and \$24,806 for the years ended June 30, 2024 and 2023, respectively. Cash paid for amounts included in the measurement of operating

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

lease liabilities totaled \$101,105 and \$23,500 for the years ended June 30, 2024 and 2023, respectively. The weighted-average risk-free discount rate for all operating leases is 4.19% and 4.18%, at June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the weighted-average remaining lease term for all operating leases is 3.21 and 4.15 years, respectively.

Maturities of the lease liability for these leases are as follows for the years ending June 30:

2025	\$ 103,368
2026	102,843
2027	68,000
2028	<u>48,000</u>
Total lease payments	322,211
Less: present value discount	<u>(20,998)</u>
Total operating lease liability	<u>\$ 301,213</u>

6. IN-KIND SUPPORT

The Organization received the following in-kind support for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Contributed use of space	\$ 469,223	\$ 524,136
Property and equipment	28,404	
Professional services	13,083	
Food	<u>11,669</u>	<u>4,323</u>
Total in-kind support	<u>\$ 522,379</u>	<u>\$ 528,459</u>

The Organization receives contributed use of space and donated property and equipment, services, and food. Contributed use of space is valued at the amount the provider would normally charge for use of the facility. Other donated items are valued at estimated fair value if purchased.

The Organization's policy related to in-kind support is to utilize the assets given to carry out their mission. All donated assets received by the Organization for the years ended June 30, 2024 and 2023, were considered without donor restrictions and able to be used by the Organization as determined by the Board and management.

7. EMPLOYEE RETENTION TAX CREDIT

In the year ended June 30, 2023, the Organization recognized revenue totaling \$328,804 related to the Employee Retention Tax Credit. This amount is included in grants receivable as of June 30, 2023 and was received in full in July 2023. Laws and regulations concerning government programs, including the Employee Retention Tax Credit established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the Employee Retention Tax Credits, and it is not possible to determine the impact (if any) this would have upon the Organization.

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

8. RETIREMENT PLAN

The Organization sponsors a 401(k) profit sharing plan for eligible employees. All employees with 2 months of service are eligible to participate. Employer contributions are discretionary and vest immediately. No contributions were made to the plan by the Organization in the years ended June 30, 2024 and 2023.

9. CONCENTRATIONS

The Organization has two grantors that accounted for 93% and 98% of total grant revenue for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, grants receivable from one grantor totaled 64% and 46% of grants receivable, respectively.

SUPPLEMENTARY INFORMATION

MEALS ON WHEELS YOLO COUNTY, INC.

SUPPLEMENTARY FORMS REQUIRED BY AREA 4 AGENCY ON AGING AUDITED GRANT PER BUDGET VS. ACTUAL REVENUES AND EXPENSES FISCAL YEAR: 2023-2024

Provider	Peoples Resources, Inc. dba Meals on Wheels Yolo County	Contract No.	AP-1337-24	Grant Amount	42,011
Street / P.O. Box	PO Box 528	Program	III-C1 Congregate Meals - Traditional	Prepared By	Stephanie Vierra, Fiscal Manager
City / Town / Zip	Woodland, CA 95776	Tel / Fax No.	530-662-7035		

Categories	Approved Program Budget (1)	Contract Fiscal Cycle Final Report YTD (2)	Percentage % (2) / (1) (3)	Comments/Remarks
C O S T S (Expenses)				
1. Personnel Costs <i>(Includes Benefits)</i>				
a. Cash	70,621	29,751	42.1%	
b. In-Kind	7,294	9,005	123.5%	
Total Personnel Costs	77,915	38,756	49.7%	
2. Travel & Training	139	183	131.7%	
3. Equipment <i>(Expendable or Non-Expendable)</i>	-	-		
4. Catered Food <i>(Cash / In-Kind) - Nutrition Only</i>				
a. Cash				
b. In-Kind				
Total Catered Food	-	-		
5. Raw Food <i>(Cash / In-Kind) - Nutrition Only</i>				
a. Cash	4,745	4,953	104.4%	
b. In-Kind				
Total Raw Food	4,745	4,953	104.4%	
6. Consultants	-	-		
7. Other Cost				
a. Cash	18,018	16,257	90.2%	
b. In-Kind	62,892	62,892	100.0%	
Total Other Costs	80,910	79,149	97.8%	
8. Indirect Cost	-	-		
9. Total Costs	163,709	123,041	75.2%	

F U N D I N G (Revenues)				
Details	Cash	In-Kind	Remarks	
10. Total Cost <i>(Line 9 / Col. 2)</i>	51,144	71,897	Note: Total Should Equal Line <i>(9) Col. (2)</i>	
11. Less:				
a. Grant Related Income	1,996			
b. NSIP (Nutrition Only)				
c. Non-Match	7,137			
d. Match		71,897		
e. Other				
12. A4AA Payments	42,011			
13. Recap of Funding				
a. Federal	22,441			
b. State	15,178			
c. OTO	4,392			
Total Funding <i>(a+b+c)</i>	42,011		Note: Should Equal Line 12 (Difference please explain).	

Reviewed by CPA/Controller:

Name	
Address:	2880 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833
Tel / Fax	(916) 646-6464 / (916) 929-6836
Contact Person	Matthew Krehe

MEALS ON WHEELS YOLO COUNTY, INC.

SUPPLEMENTARY FORMS REQUIRED BY AREA 4 AGENCY ON AGING AUDITED GRANT PER BUDGET VS. ACTUAL REVENUES AND EXPENSES FISCAL YEAR: 2023-2024

Provider	Peoples Resources, Inc. dba Meals on Wheels Yolo County	Contract No.	AP-1337-24	Grant Amount	389,066
Street / P.O. Box	PO Box 528	Program	III-C2 Home Delivered Meals	Prepared By	Stephanie Vierra, Fiscal Manager
City / Town / Zip	Woodland, CA 95776	Tel / Fax No.	530-662-7035		

Categories	Approved Program Budget (1)	Contract Fiscal Cycle Final Report YTD (2)	Percentage % (2) / (1) (3)	Comments/Remarks
C O S T S (Expenses)				
1. Personnel Costs <i>(Includes Benefits)</i>				
a. Cash	1,270,760	1,352,104	106.4%	
b. In-Kind	144,701	172,452	119.2%	
Total Personnel Costs	1,415,461	1,524,556	107.7%	
2. Travel & Training	10,457	11,731	112.2%	
3. Equipment <i>(Expendable or Non-Expendable)</i>	-	-		
4. Catered Food <i>(Cash / In-Kind) - Nutrition Only</i>				
a. Cash				
b. In-Kind				
Total Catered Food	-	-		
5. Raw Food <i>(Cash / In-Kind) - Nutrition Only</i>				
a. Cash	365,448	347,859	95.2%	
b. In-Kind				
Total Raw Food	365,448	347,859	95.2%	
6. Consultants	-	-		
7. Other Cost				
a. Cash	312,645	390,802	125.0%	
b. In-Kind	461,244	461,244	100.0%	
Total Other Costs	773,889	852,046	110.1%	
8. Indirect Cost	-	-		
9. Total Costs	2,565,255	2,736,192	106.7%	

F U N D I N G (Revenues)				
Details	Cash	In-Kind	Remarks	
10. Total Cost <i>(Line 9 / Col. 2)</i>	2,102,496	633,696	Note: Total Should Equal Line <u>(9) Col. (2)</u>	
11. Less:				
a. Grant Related Income	49,017			
b. NSIP (Nutrition Only)				
c. Non-Match	1,664,413			
d. Match		633,696		
e. Other				
12. A4AA Payments	389,066			
13. Recap of Funding				
a. Federal	184,950			
b. State	151,779			
c. OTO	52,337			
Total Funding <i>(a+b+c)</i>	389,066		Note: Should Equal Line 12 (Difference please explain).	

Reviewed by CPA/Controller:

Name	
Address:	2880 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833
Tel / Fax	(916) 646-6464 / (916) 929-6836
Contact Person	Matthew Krehe

MEALS ON WHEELS YOLO COUNTY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Pass- Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury			
Passed-through County of Yolo:			
American Rescue Plan Project Management:			
Coronavirus State and Local Fiscal Recovery Funds:			
Eat Well, Age Well Yolo County	21.027	PO5474	\$ 18,913
Operation Accelerate	21.027	PO4265	79,532
Operation Accelerate: Driving Kitchen Capacity	21.027	4486	<u>371,699</u>
Total U.S. Department of the Treasury			<u>470,144</u>
U.S. Department of Health and Human Services			
Passed-through Area 4 Agency on Aging:			
Aging Cluster:			
Special Programs for the Aging, Title III, Part C -			
Nutrition Services	93.045	AP-1337-24	578,026
Nutrition Services Incentive Program	93.053	AP-1337-24	<u>56,729</u>
Total Aging Cluster			<u>634,755</u>
Total U.S. Department of Health and Human Services			<u>634,755</u>
U.S. Department of Housing and Urban Development			
Passed-through City of Woodland: Office of Community Planning and Development:			
Community Development Block Grant	14.218	B-23-MC-06-0040	<u>15,000</u>
Total U.S. Department of Housing and Urban Development			<u>15,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,119,899</u>

MEALS ON WHEELS YOLO COUNTY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards of Meals on Wheels Yolo County, Inc. (the Organization), is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. INDIRECT COST RATE

The Organization has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

**Board of Directors
Meals on Wheels Yolo County, Inc.
Woodland, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meals on Wheels Yolo County, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

October 30, 2024

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Board of Directors
Meals on Wheels Yolo County, Inc.
Woodland, California**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meals on Wheels Yolo County, Inc.’s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2024. The Organization’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal

control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

October 30, 2024

MEALS ON WHEELS YOLO COUNTY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified? _____ Yes None reported

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses(es) identified? _____ Yes No
- Significant deficiency(ies) identified? _____ Yes None reported

Type of auditor's report issued: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ Yes <input checked="" type="checkbox"/> No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

None noted.